

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7852]
April 6, 1976

REGULATION B

Hearing on Implementation of Amendments to the Equal Credit Opportunity Act

To All Member Banks, and Others Concerned,
in the Second Federal Reserve District:

The Board of Governors of the Federal Reserve System is considering proposals to amend its Regulation B—Equal Credit Opportunity—to implement recent amendments to the Equal Credit Opportunity Act. The following is quoted from the text of a statement issued April 1 by the Board of Governors, announcing a preliminary hearing on the matter:

The Board of Governors of the Federal Reserve System today announced it will hold a preliminary hearing, on April 27, to receive public comment and suggestions relating to implementation of recently passed amendments to the Equal Credit Opportunity Act.

The Act, as it went into effect October 28, 1975, prohibited discrimination in the granting of credit on the basis of sex or marital status. The amended Act—to go into effect March 23, 1977—also prohibits discrimination in granting credit on the basis of race, color, religion, national origin, age, receipt of income from public assistance programs or exercise of rights under the Consumer Protection Act. As with the original Equal Credit Opportunity Act, the Federal Reserve Board is directed to write regulations to implement the amended legislation.

The preliminary hearing will be held at the Board, beginning at 10:00 a.m. on April 27.

Those wishing to participate in person in the hearing should notify the Board and submit a summary of the evidence they wish to give, in time to reach the Board by April 19, 1976.

Those wishing to submit comments or suggestions in writing may do so through the same date.

The purpose of the preliminary hearing is to solicit views from consumers and businesses, especially on a list of specific issues, as the first step in preparing implementing regulations. A proposed regulation will be issued at a later date.

Printed below is the text of the Board's Order. Comments thereon should be submitted by April 19, and may be sent to our Bank Regulations Department.

PAUL A. VOLCKER,
President.

EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS

Notice of Hearing

[Docket No. R-0031]

The President recently signed the Equal Credit Opportunity Act Amendments of 1976 (P.L. 94-239) which, among other things, adds as prohibited bases of discrimination in granting credit: race, color, religion, national origin, age, receipt of income from public assistance programs and a person's having exercised rights under the Consumer Credit Protection Act. Pursuant to the authority contained in section 703 of the Equal Credit Opportunity Act, the Board will be prescribing amended regulations to carry out the purposes of the Act, as amended.

To aid in preparation of the regulation, a hearing will be held before available members of the Board in the Board Room, second floor of the Board's building on 20th and C Streets N.W., Washington, D.C., beginning at 10 a.m., on Tuesday, April 27, 1976. The proceeding will consist of presentations of statements in oral or written form. Interested persons need not, however, participate in the proceedings through oral presentation in order to have their views considered.

Any persons desiring to submit written comments, give testimony, present evidence, or otherwise participate

(OVER)

in these proceedings should file with the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, on or before Monday, April 19, 1976, their written comments or a written request containing a statement of the nature of the petitioner's interest in the proceedings, the extent of participation desired, a summary of the matters concerning which petitioner wishes to give testimony or submit evidence, and the names and identity of witnesses who propose to appear. Written comments will be made available for public inspection and copying upon request, except as provided in § 261.6(a) of the Board's Rules Regarding Availability of Information. All material submitted should include the Docket No. R-0031.

The Board is especially interested in comment on the following subjects:

1. Examples of existing discrimination based on race, color, national origin, religion or age, and approaches to eliminating the discrimination;
2. Examples of existing discrimination based upon the receipt of income from public assistance programs, and approaches to eliminating the discrimination;
3. Standards for determining what constitutes a statistically sound credit scoring system;
4. Standards for determining what constitutes negative scoring as it relates to elderly persons;
5. Standards for determining what qualifies as a

credit assistance program for economically disadvantaged persons;

6. Standards for determining what qualifies as a special assistance program offered by for-profit institutions to meet special social needs;
7. Standards for determining what classes of business credit might be exempted from all or part of the provisions of the Act because the application of the provision does not contribute substantially to carrying out the purpose of the Act;
8. Standards for determining whether State laws are more protective, inconsistent, or substantially similar;
9. Types of records creditors should be required to retain and the length of the retention period;
10. The information which creditors should be permitted or required to request relating to the prohibitions of the Act as amended, and
11. The cost of implementing the Act and the impact of the Act on the availability and cost of credit to the user of credit.

This notice is published pursuant to section 553(b) of Title 5 United States Code, and § 262.2(a) of the Rules of Procedure of the Board of Governors of the Federal Reserve System (12 C.F.R. 262.2(a)).

By order of the Board of Governors, March 31, 1976.